



MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING BANKING AND FINANCE

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE (FINANCE OPTION)

BAC 413: MARKETING OF FINANCIAL SERVICES

DATE: 16/12/2021

TIME: 8:30 – 10:30 AM

INSTRUCTIONS

Answer question ONE and any other TWO questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Discuss how technological innovation has impacted upon product supply and service delivery in Kenya. (10 marks)
- b) Enumerate five major challenges faced by financial service providers when developing a marketing mix for customer acquisition. (5 marks)
- c) Explain why consistency is of great importance when developing an effective marketing mix. (5 marks)
- d) Assess any five approaches that insurance adopt to tangibilizing services. (5 marks)
- e) Explain five benefits for market segmentation and targeting that accrue to financial service providers. (5 marks)

QUESTION TWO (20 MARKS)

- a) Discuss difficulties encountered by marketing managers when setting prices for financial services. (10 marks)
- b) Evaluate the relevance and limitations of pricing approaches adopted by financial service providers. (10 marks)

QUESTION THREE (20 MARKS)

- a) Describe the Engel-Kollat-Blackwell model and assess its relevance to financial service providers. (10 marks)
- b) Evaluate five factor that influence consumer decision making in financial services. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss four distinctive characteristics of financial services and elaborate how service provider overcome the unique challenges arising from service attributes. (10 marks)
- b) With aid of relevant examples, evaluate five incentives that Kenyan government gives to encourage its citizen to save for the future. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss the strengths and weakness of the four promotional tools. (10 marks)
- b) Explain the differences between above- and below-the-line advertising. Discuss of the two approaches that is the most effective for the marketing of a unit trust? (10 marks)